

USDA Food and Nutrition Service

Supplemental Nutrition Assistance Program

Request for Volunteers and Procedures of Selection for Preliminary Authorization of Food Purchasing and Delivery Services for the Elderly or Disabled

February 1, 2016



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Section 1 - Introduction

1.1 Overview

This Request for Volunteers (RFV) invites governmental or public or private nonprofit food purchasing and delivery services (“P&D Services”) that purchase and deliver food to elderly persons, or physically or mentally handicapped or otherwise disabled persons, who are unable to shop for food, to apply to participate in the Supplemental Nutrition Assistance Program (SNAP or “Program”) as retail food stores for a one-year period (the “trial period”) prior to issuance of rules which will amend program regulations to establish final requirements for participation of such services. The Department of Agriculture’s (USDA) Food and Nutrition Service (FNS) will authorize, prior to rulemaking, up to twenty P&D Services for the trial period, and may thereafter reauthorize these services for additional time periods, depending on the trial period results. P&D Services must submit an Application by March 31, 2016, to be considered for selection for the trial period, which will begin in Summer 2016.

1.2 Authority

The Agricultural Act of 2014 (P.L. 113-79), otherwise known as the “Farm Bill”, expands the definition of “retail food store” in the Food and Nutrition Act of 2008 (7 U.S.C. 2011 note; the FNA) to include governmental or nonprofit food purchasing and delivery services that purchase and deliver food to elderly persons, or physically or mentally handicapped or otherwise disabled persons, who are unable to shop for food. The Farm Bill further requires that the P&D Services clearly notify the participating household of any delivery fee when placing the food order. However, it prohibits such fees from being paid with SNAP benefits, and requires the service to sell foods at the same price paid by the service without any additional markup.

The Farm Bill requires the Secretary to issue rules implementing the authorization of P&D Services in the Program, but also allows the Secretary to approve up to 20 P&D Services to participate prior to issuance of a final rule. When rules are issued, they must establish criteria to identify eligible P&D Services, as well as procedures to ensure that the service: (1) does not charge more for the food item than it paid; (2) offers food delivery service at no or low cost; (3) ensures SNAP benefits are used only to purchase eligible foods; (4) limits the purchase and delivery of food to households that meet the eligibility criteria for such service; (5) has adequate safeguards against fraudulent activities, including unauthorized use of EBT cards; and (6) meets other requirements as the Secretary determines to be important. The trial period resulting from this RFV will be operated in accordance with these Farm Bill mandates.

1.3 Background

The FNA and SNAP regulations specify the criteria for authorization and participation in the Program. Authorized retail food stores may accept SNAP benefits in exchange for eligible foods, as defined in program regulations at 7 CFR § 271.2. The Farm Bill allows P&D Services to become authorized to accept SNAP benefits for the eligible foods that they purchase and deliver to qualifying households. Permitting P&D Services to become authorized as SNAP retailers is expected to increase accessibility to the program for homebound elderly and disabled persons.

Currently, many different types of firms may be authorized to accept SNAP benefits as retail food stores, including, but not limited to, public or private communal dining facilities, meal delivery services, private nonprofit cooperative food purchasing ventures, and farmers' markets. All firms apply to FNS for authorization. The Agency may decide whether or not to authorize a firm as a SNAP retailer based upon the information provided in the Application, FNS' determination as to whether the firm meets program requirements, and a determination whether the firm's participation will further the purposes of SNAP.

On July 15, 2015, FNS published a proposed rule that would amend and revise program regulations in accordance with the Farm Bill provision regarding P&D Services. Any lessons learned from these pilots could be incorporated into Agency deliberations on developing the final rule as well as any subsequent guidance issued by the Agency.

1.4 USDA Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, religious creed, disability, age, political beliefs, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a

letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture, office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.

Section 2 - Selection and Responsibilities

2.1 P&D Services Application Submission Instructions and Point of Contact

Interested P&D Services must submit Form FNS-252-2, Application for Meal Services ([Attachment A](#)), and the P&D Services Request for Volunteers Supplementary Application Form ([Attachment B](#)) to FNS in order to be considered for participation in the trial period. In this document, Attachments [A](#) and [B](#) are collectively referred to as the “Application”. An authorized representative with the authority to contractually bind the applicant organization must certify the information submitted in the Application and confirm agreement to the provisions of this RFV by signing the Application. Only governmental and nonprofit organizations may become P&D Services.

Although P&D Services will not be serving meals in exchange for SNAP benefits, the following directions ensure proper categorization in our electronic systems which do not currently include a category for P&D Services. On [Attachment A](#), Part 1, all applicants should select “Meal Delivery Service or Private For-Profit Meal Delivery Service”. Government agencies should select “Public Meal Delivery” as a subcategory, and nonprofit P&D services should select “Private Nonprofit Meal Delivery”.

Part 2 should be completed in full by all applicants. Parts 3 and 4 do not need to be completed as they do not apply to this RFV.

Only nonprofit P&D Services must complete Part 5, answering each question substantively to apply to any officers or executive directors, and to any members of the Board of Directors responsible for day-to-day operations. Both government agencies and nonprofit P&D Services should complete Part 6.

Nonprofit P&D Services must also provide the following documentation with their application:

- Copy of a government issued photo identification AND a copy of a Social Security card, or other verification of Social Security Number, for any officer(s) or executive directors, and any members of the Board of Directors responsible for day-to-day operations; and
- Proof of tax-exempt status as recognized by the Internal Revenue Service.

The Application and all documentation should be submitted to the point of contact listed below. All questions or comments about the RFV, the Application, or the trial period should also be directed only to the point of contact provided below to ensure receipt of accurate information.

Point of Contact:

Michelle Waters
Retailer Policy and Management Division
Supplemental Nutrition Assistance Program
USDA Food and Nutrition Service
3101 Park Center Drive
Alexandria, VA 22302

Michelle.Waters@fns.usda.gov

(703) 305-2344

2.2 P&D Services Pilot Selection Criteria

In accordance with the Farm Bill, up to 20 P&D Services may be selected to participate during the trial period. These participants will be selected in accordance with the requirements contained in the FNA, including those contained in Section 4003 of the Farm Bill, and program regulations. FNS will assess each applicant's completed Application to determine if their operations meet these requirements. In addition to meeting these requirements, applicants will be evaluated in accordance with criteria established by FNS, listed below. Beyond these criteria, FNS reserves the right to bring in other criteria when considering those who will be finally selected.

2.2.1 Mission

FNS will consider whether the applicant organization's core mission is related to primarily serving the elderly and disabled. Organizations which already serve the elderly and disabled are preferred participants for the Trial Period.

2.2.2 Affiliations

It is important for participating P&D Services to have affiliations with other similar organizations to help ensure the viability of their participation as SNAP retailers. These relationships help ensure that the organizations involved remain mission-focused. Accordingly, FNS will consider any affiliations, including partnerships, agreements, grant awards, etc., that the applicant P&D Service has with other not-for-profit organizations or government agencies. Strong affiliations will be weighed favorably for applicant P&D Services. You may also attach a statement of support from your affiliate organizations to your Application for our consideration.

Many different types of affiliations will be considered favorably in meeting this criterion. For example, your organization may be a member of, and participate in, the National Association of Nutrition and Aging Service Programs, or your organization may operate a local Meals on Wheels program or Commodity Supplemental Food Program. Or, if your organization has received a Federal or State grant award to provide meal delivery, nutrition education, or other services to the elderly or disabled, this would be considered a relevant affiliation.

2.2.3 Service Areas in Communities Designated for USDA Place Based Initiatives

Applicants with service areas in communities that have been designated for USDA Place Based Initiatives may receive priority consideration. A list of USDA Place Based Initiatives is included as [Attachment C](#).

2.2.4 Fee Structure and Order Minimums/Maximums

The Farm Bill requires that participating P&D Services offer their services at no or low cost to SNAP households. The amount of the delivery fee, if any, and the applicant's fee structure will be a factor to be considered by the Agency when making selections. FNS will also consider any order minimum or maximum per transaction, their favorability to SNAP households, and the reason for such limits.

2.2.5 Service Policies Favorable to Households

Applicant P&D Services which have policies favorable to all households served will receive favorable consideration. Policies favorable to households may include, but are not limited to, convenient ordering, shorter duration delivery windows, acceptance of store or manufacturer coupons, frequent or recurrently scheduled deliveries, or flexibility in returns. It should be noted that SNAP regulations, at 7 CFR 278.2(b), require that SNAP benefits be accepted for eligible foods on the same terms and conditions applicable to all purchases of such foods. Therefore, the same policies applicable to SNAP customers must be in place for all customers.

2.2.6 Geography

To the extent possible and warranted, FNS would like to authorize at least one P&D Service from each of the seven FNS Regions: (1) the Mid-Atlantic Region, (2) the Midwest Region, (3) the Mountain Plains Region, (4) the Northeast Region, (5) the Southeast Region, (6) the Southwest Region, and (7) the Western Region (See [Attachment D](#) for the States in each FNS Region). FNS would also like to authorize a reasonable mix of P&D Services that have service areas in urban and rural areas (barring issues of wireless point-of-sale connectivity).

2.3 P&D Services Participation Requirements

P&D Services selected to participate in the trial period must meet and comply with the requirements for SNAP participation contained in the FNA, in Section 4003 of the 2014 Farm Bill, and in program regulations. Relevant program regulations include 7 CFR Parts 271 through 285. The P&D Services selected will initially be authorized for a limited 1 year duration, and not more than twenty P&D Services can be approved prior to issuance of a final rule in the Federal Register. Because of these unique limitations, and during this trial period only, whenever participation requirements in this RFV are inconsistent with SNAP regulations, the participation requirements in this RFV control for the trial period.

While P&D Services are responsible for complying with all relevant Program legislation and regulations, and the requirements of this RFV, we make special mention of certain requirements specifically applicable to P&D Services. P&D Services must:

- Only accept SNAP benefits from households in which the head of household is an elderly or disabled member, as defined in 7 CFR Part 271.2, who is unable to shop for food;

- Accept SNAP benefits only for purchase of SNAP eligible foods, as defined in 7 CFR Part 271.2, and not for the provision of purchasing and delivery services;
- Not add any additional markup to the cost of foods purchased with SNAP benefits by the participating household;
- Offer the food purchasing and delivery service at low or no cost to participating households; and
- Establish safeguards against fraudulent activities, including the unauthorized use of EBT cards.

In addition, P&D Services should be aware that, in accordance with program regulations, sales tax may not be charged to SNAP clients on foods paid for with SNAP benefits. Further, container deposits in excess of State mandated fees and bag fees may not be paid for with SNAP benefits.

2.4 P&D Services Responsibilities

In addition to the requirements provided in Section 2.3 above, P&D Services participating in the trial period agree to the following responsibilities:

2.4.1 Purchase Price

P&D Services must provide documentation to the household of the actual purchase price from the vendor, and separately identify to the household the SNAP-eligible foods paid for with SNAP benefits. Although P&D Services may purchase and deliver to the household ineligible foods or other non-food purchases, these items as well as any service charges or delivery fees must be paid with other tender. The documentation provided to the household must separately identify these costs from the costs of eligible foods paid for with SNAP benefits.

2.4.2 Timing of SNAP Benefit Redemption

P&D Services may not redeem SNAP benefits in advance of delivery to the household. The P&D Service must ensure this restriction is met.

2.4.3 Order Minimums

P&D Services may impose an order minimum which may not exceed \$50 for all purchases (including eligible foods purchased with SNAP benefits and purchases made with other tender, combined).

2.4.4 Ordering and Delivery Frequency

SNAP households must be provided the opportunity to order and receive delivery of SNAP eligible foods at least one time per month.

2.4.5 Delivery Timeframe

P&D Services must work with the household to determine an agreeable timeframe for delivery, which may be a window of time, as long as the time period is reasonable.

2.4.6 Delivery Fee

P&D Services must ensure that the food purchasing and delivery service is provided to SNAP households at low or no cost. Any delivery fee charged cannot exceed 25 percent of the order total (including eligible foods purchased with SNAP benefits and purchases made with other tender, combined), up to a maximum of \$20 per delivery.

2.4.7 Logistics, Issues, and Customer Complaints

P&D Services must have policies in place addressing the following service logistics and issues. The household must be provided information regarding these policies in advance of ordering:

- Customer cancellation of orders;
- Unavailability of product ordered (i.e., if substitution is available, or if the item is cancelled, etc.);
- Products sold by weight;
- Product returns (including type of resolution offered, i.e. crediting of SNAP benefits or product exchanges, and time limit for returns);
- Wrong product delivered;
- Product quality complaints;
- Spoiled or damaged products; and
- Delivery not within agreed timeframe.

Section 3 - Pilot Process

3.1 EBT Equipment

Once a P&D Service is selected for the trial period, it will need to purchase or lease Electronic Benefit Transfer (EBT) equipment to process SNAP transactions. Most

SNAP retailers purchase or lease this equipment through a traditional third party processor (TPP). However, because P&D Services will be serving homebound clients, they will likely need to use wireless or mobile terminals, which are not available from all TPPs. It should be noted that in order to process SNAP transactions using wireless and mobile equipment and services, P&D Services' clients' homes must be in mobile service coverage areas.

Below you will find lists of both traditional TPPs and providers that specialize in wireless and mobile equipment and services. These lists are not inclusive of all TPPs or wireless or mobile equipment and services providers, and FNS does not endorse any of the companies included on the lists. P&D Services should review the cost of leasing or purchasing equipment and services and make the best choice for their business.

A list of traditional TPPs can be found at this link:

<http://www.fns.usda.gov/sites/default/files/snap/SNAP-EBT-Third-Party-Processor-List-and-Retailer-Guidance.pdf>.

Wireless or Mobile Equipment and Service Providers include the following:

Company	Contact
MarketLink	Amy Crone C/O National Association of Farmers Market Nutrition Programs PO Box 9080 Alexandria, VA 22304 Phone: 443-212-8084 Email: amy.crone@marketlink.org
Merchant Source Center, LLC DBA: MerchantSource	Kim Lyons, President Phone: 1-800-313-5198 or 239-246-7732 Fax: 239-236-5198 Email: KimL@merchantsource.com
TSYS Merchant Solutions	Chris Shanahan or Jason Butts 1601 Dodge Street, Floor #5SE Omaha, NE 68102-1637 Phone: 402-574-7016 or 402-574-7086 Email: cshanahan@tsys.com or jbutts@tsys.com

3.2 Training

Selected P&D Services will be required to attend a training session by webinar. This training will take place one to two weeks after selection of participants, and before the trial period begins. The purpose of the training session will be to inform participating

P&D Services of program requirements contained in SNAP legislation and regulations, as well as program policy. Further, P&D Services will have an opportunity to ask questions and meet FNS staff who can answer questions and provide assistance throughout the duration of the trial period.

3.3 Evaluations

FNS will conduct evaluations during the trial period to obtain information that will inform program guidance provided after the Farm Bill rule allowing P&D Services to participate in SNAP as retail food stores is published. These evaluations will take place at approximately the midpoint and the end of the trial period. The evaluations will most likely involve analysis of transaction data submitted to FNS from P&D Services, and interviews with clients, P&D Services' personnel, and wireless or mobile equipment and services providers.